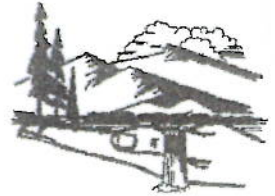




Matthew H. Mead, Governor

Department of Environmental Quality

*To protect, conserve and enhance the quality of Wyoming's
environment for the benefit of current and future generations.*



Todd Parfitt, Director

April 28, 2014

Certified #7012 2920 0002 3700 2962

Return Receipt Requested

Mr. Bob Christofferson
Citation Oil and Gas
1016 E. Lincoln
Gillette, WY 82716

RE: Issuance of Notice of Violation (NOV) & Penalty


Dear Mr. Christofferson:

Enclosed is a Notice of Violation (NOV) issued for violations of the Wyoming Solid Waste Rules and Regulations and the Wyoming Water Quality Rules and Regulations for the unauthorized management of solid wastes, and oil discharges at the Derby Dome and Dallas Dome facilities in Fremont County, Wyoming.

Due to the seriousness of these violations, the department is issuing this NOV and plans a referral to the Wyoming Attorney General Office if a voluntary settlement cannot be reached.

If you have any questions regarding this letter, the attached NOV, and/or would like to schedule a meeting to discuss voluntary settlement, please contact Mr. Charles Plymale in our Lander office at (307)335-6951, or Bob Breuer in our Casper office at (307) 473-3454.

Sincerely,


Luke Esch
Administrator
Solid and Hazardous Waste Division

Enclosure: NOV

C: Bob Breuer, I&C Program Manager, WDEQ/SHWD Casper Office, File #50,721
Charlie Plymale, I&C, WDEQ/SHWD Lander Office, File #50.721

Herschler Building • 122 West 25th Street • Cheyenne, WY 82002 • <http://deq.state.wy.us>

ADMIN/OUTREACH	ABANDONED MINES	AIR QUALITY	INDUSTRIAL SITING	LAND QUALITY	SOLID & HAZ. WASTE	WATER QUALITY
(307) 777-7758	(307) 777-6145	(307) 777-7391	(307) 777-7369	(307) 777-7756	(307) 777-7752	(307) 777-7781
FAX 777-7682	FAX 777-6462	FAX 777-5616	FAX 777-5973	FAX 777-5864	FAX 777-5973	FAX 777-5973



BEFORE THE
ENVIRONMENTAL QUALITY COUNCIL
STATE OF WYOMING

IN THE MATTER OF THE
NOTICE OF VIOLATION
ISSUED TO:

CITATION OIL & GAS)	
1016 E LINCOLN)	
Gillette, WY 82716)	DOCKET NO. 5404-14

NOTICE OF VIOLATION

NOTICE IS HEREBY GIVEN THAT

1. On February 19, 2014, Wyoming Department of Environmental Quality (WDEQ), Solid and Hazardous Waste Division (SHWD) personnel, Mr. Charles Plymale, conducted an inspection of Citation Oil and Gas location, Derby Dome, located at NE, SW, NW, of Sec. 4, T131, N R98 W (16 miles SE of Lander Highway 287). An inspection was also conducted at Citation Oil and Gas, Dallas Dome, located at NW, SW, of Sec. 13, T32N, R99W (10 Miles SE of Lander HWY 287). The inspections were conducted to evaluate compliance with the Wyoming Solid Waste Rules & Regulations (SWRR). On March 10, 2014, WDEQ personnel, Mr. Kent Simon and Mr. Charles Plymale, conducted a subsequent inspection at Derby Dome due to a complaint received of oil discharging to Twin Creek, and to sample the facility's wastewater discharge.

2. The inspections revealed the following violations of the Wyoming Solid Waste Rules and Regulations (SWRR), and the Wyoming Water Quality Rules and Regulations (WQRR):

Count 1: The Environmental Quality Act (Act) and the SWRR [SWRR, Chapter 1, Section 1(f); Wyo. Stat. §35-11-502(a)] requires a permit before constructing or operating a site that disposes of significant volumes of petroleum contaminated soils (PCS) generated by spills/releases of crude oil and/or oily wastewater, separator wastes/sludges and/or tank bottom wastes. Citation Oil and Gas does not have a permit or one-time authorization to dispose of solid waste at Derby Dome or Dallas Dome. Therefore, Citation Oil and Gas failure to obtain a permit or one-time authorization is a violation of the Act and the SWRR, for managing and disposing of solid wastes (petroleum contaminated soils).

Count 2: The Act and the WQRR: [Chapter 1, Section 29, Oil and Grease (a)(b); Wyo. Stat. § 35-11-301] In all Wyoming waters, substances attributable to or influenced by the activities of man shall not be present in amounts which would cause: (a) the oil and grease content to exceed 10mg/l; or (b) the formation of a visible sheen or visible deposits on the bottom or shoreline, or damage or impairment of the normal growth, function or reproduction of human, animal, plant or aquatic life. Citation Oil and Gas discharge exceeded 10mg/l oil and grease at Derby Dome (see attached analytical), and visible sheen and visible deposits were documented (see attached photo logs) at Derby Dome and Dallas Dome.

Count 3: The Act and the WQRR: [Chapter 2, Appendix H(v); Wyo. Stat. § 35-11-301] An effluent limitation of 10mg/l for oil and grease as measured by EPA method 1664. Citation Oil and Gas results for samples taken from the discharge at Derby Dome on March 10, 2014 were 20061 mg/l and 40687 mg/l oil and grease and exceeded the effluent limitation.

Count 4: WQRR: [Chapter 4, Section 4 (a)(i), and Section 4 (a)(ii)] Any person owning or having control over oil or a hazardous substance which, after release, enters, or threatens to enter, waters of the state shall: (i) immediately take appropriate action to stop and contain release. (ii) Immediately notify the division of the type, quantity, and location of the release, and of the response, containment, and cleanup actions which have been taken or are proposed to be taken. Citation Oil & Gas failed to comply with (i) and (ii) and was, therefore, in violation of the requirement.


3. ANY PERSON who violates any provision of the Environmental Quality Act, or any rules, standard, permit, license, or variance adopted thereunder, is liable to a penalty of ten thousand dollars (\$10,000) for

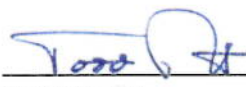


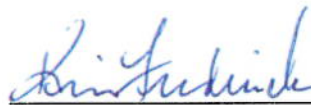
each day of violation, which penalty may be recovered in a civil action brought by the Attorney General in the name of the People of the State of Wyoming; and

4. THIS NOTICE OF VIOLATION is being sent to you pursuant to Wyoming Statute 35-11-701(c) which requires that in any case of the failure to correct or remedy an alleged violation the Director of the Department of Environmental Quality shall cause a written notice to be issued and served upon the person alleged to be responsible.

Signed this 15th day of MAY, 2014



Luke Esch
Administrator
Solid & Hazardous Waste Division

Todd Parfitt
Director
Dept. of Environmental Quality

Kevin Frederick
Administrator
Water Quality Division